

Amendment No. 1 to SB0286

Stanley  
Signature of Sponsor

**AMEND Senate Bill No. 286\***

**House Bill No. 843**

by deleting all language following the enacting clause and by substituting the following:

SECTION 1. Tennessee Code Annotated, Section 56-52-102(a), is amended by deleting subdivision (2)(B) in its entirety and by substituting instead the following language:

(B) "Charitable gift annuity" does not include a charitable remainder trust or a charitable lead trust or other similar arrangement where the charitable organization does not issue an annuity and incur a financial obligation to guarantee annuity payments.

"Charitable gift annuity" also does not mean any transfer of cash, securities, annuities or other property by a donor to a charitable organization in return for an annuity where a commission is paid to any person as a result of the transfer unless:

(i) The charitable organization reinsures the obligation incurred pursuant to the charitable gift annuity issued through the purchase of an annuity from an insurance company authorized under this title to conduct the business of insurance in this state;

(ii) The charitable organization, prior to December 31, 2008, had notified the commissioner in writing of its issuance of charitable gift annuities in this state;

(iii) The charitable organization, prior to December 31, 2008, paid commissions to any person for the transfer of cash, securities, annuities or other property by a donor to a charitable organization in return for a charitable gift annuity; and,

(iv) The commission is paid to a person licensed under chapter 6, part 1, of this title;

SECTION 2. Tennessee Code Annotated, Section 56-52-104(b), is amended by deleting subdivision (2) in its entirety and by substituting instead the following language:

(2)

(A) In calculating the assets required in the charitable gift annuity separate accounts under subsection (a), a one hundred percent (100%) deduction shall be allowed for any portion of the charitable gift annuity risk that is insured or reinsured by the charitable organization with an authorized insurer or reinsurer.

(B) Any annuity purchased by the charitable organization for the sole purpose of meeting its obligations incurred pursuant to the issuance of a charitable gift annuity shall be considered charitable gift annuity risk that is insured or reinsured for the purposes of subdivision (2)(A) provided:

(i) The issuer of the annuity contract purchased by the charitable organization is licensed under this title to sell annuities in this state;

(ii) The issuer of the annuity contract purchased by the charitable organization meets certain rating requirements, at the time of the transaction, as established by the commissioner by rule; and,

(iii) The charitable organization has filed a copy of the insurer's or reinsurer's annuity form contract and received the approval of the commissioner. If the commissioner does not disapprove of the annuity form contract within thirty (30) days of receipt, the annuity form contract shall be deemed approved.

SECTION 3. Tennessee Code Annotated, Section 56-52-103(e), is amended by inserting the language "except as provided in § 56-52-102(a)(2)(B)" at the end of the subsection.

SECTION 4. This act shall take effect upon becoming law the public welfare requiring it.